

13 August 1987

OAA 87-3529

OAA FILE

RECEIPT #

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing to Keith Hall and Charlie Battaglia on Commo Banding, Secretarial Pay System and the Proposed New Pay, Personnel, Management System

1. On 13 August at the request of Keith Hall and Charlie Battaglia, staff members of the Senate Select Committee on Intelligence (SSCI), representatives from the Office of Communications, Office of Personnel, Comptroller, DA Management Staff, and myself briefed on the of results of the Commo banding exercise, the secretarial pay system, and on the status of the proposed Agency Pay, Personnel, Management and Compensation system (PPMC). Hall's stated purpose in asking for the briefing was to educate himself on what the Agency has done and is doing in developing new pay systems. Hall wants to prepare himself for conference meetings with House Permanent Select Committee on Intelligence (HPSCI) staff members and for questions which might arise from members of the SSCI. The briefings clearly accomplished this objective and, as Hall himself stated, provided him with the "ammunition for meetings with HPSCI."

25X1 2. The briefing on the commo banding system covered the issues listed in the attached copy of the viewgraphs. Hall seemed satisfied with the results of the new system, but raised questions about the way we have compared costs between pre- and post banding and asked that he be provided with better comparative data with which to evaluate. ([redacted] will provide these cost data). Hall did conclude that "the increased costs have been modest." Hall did voice concern that we had not set specific and measurable objectives prior to beginning the commo banding process so that results could be more precisely determined. This is an important issue for Hall and one we should keep in mind when briefing the SSCI on the PPMC.

25X1 3. The briefing on the secretarial pay system covered the points listed on the attached viewgraphs. In this briefing, we were able to cover beginning program objectives and measure progress against these goals which resulted in what I perceived to be a rather impressive briefing to Hall. Again, Hall had questions about the the costs and the validity of the pre- and post comparative data and has requested that he be provided

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25X1 additional information ([] will do). Hall indicated
 25X1 that SSCI members and congressmen, who know of the positive
 25X1 results, seem to believe that we have fixed the secretarial
 problem by "paying them more." [] and Price explained that
 our approach was not just pay but a whole set of other actions,
 like job enrichment. These clarifications seemed to satisfy
 Hall. Indeed, he thought this was a useful argument for him to
 use in talking with others about the secretarial pay system.

25X1 4. [] provided a quick overview of the proposed
 25X1 PPMC, covering why we are considering introducing a new pay and
 performance system, what we hope to solve, and where we stand
 25X1 now. Hall inquired about the implementation schedule. []
 explanation that we were looking to early CY 1988 to
 incrementally begin, alleviated Hall's concern that the system
 would be quickly introduced in aggregate. He thought that the
 incremental approach with the time schedule proposed would be
 more acceptable to all. Hall asked about costs and how we
 25X1 intend to control them. [] offered several ways costs can
 be kept in bounds. Hall did not pursue this issue further, but
 it is one he and others will surely return to and one that
 needs to be more clearly explained. Hall mentioned twice that
 when "you come down to brief on this (PPMC), bring measures of
 effectiveness."

5. I conclude that the briefings were most positive in
 terms of their impact on Hall and Battaglia. I think they,
 Hall in particular, are indeed concerned about costs incurred
 for the commo and secretarial programs but I also think we
 conveyed enough information to convince them that the early
 results are positive. However, I base my conclusion on Hall's
 final remarks. In particular, he asked how he could help us
 get the language we want in the appropriations bill which calls
 for HPSCI's nine month presidential study. After some
 discussion of the language, with both Hall and others
 suggesting changes, Hall concluded with a request that we send
 him what we want and he will work on our behalf.

25X1 []
 Office of Congressional Affairs

Attachment

Distribution:

Orig - OCA Record (w/att)
 1 - DDA
 1 - A/DDA
 1 - C/MS/DDA (w/att)
 1 - D/Comptroller
 25X1 1 - O/Comptroller, []
 1 - D/OP
 1 - DD/PA&E/OP
 1 - JB Chrono (w/att)
 25X1 OCA [] ks (18 Aug 87)

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OFFICE OF COMMUNICATIONS
EXPERIMENTAL PAY SYSTEM

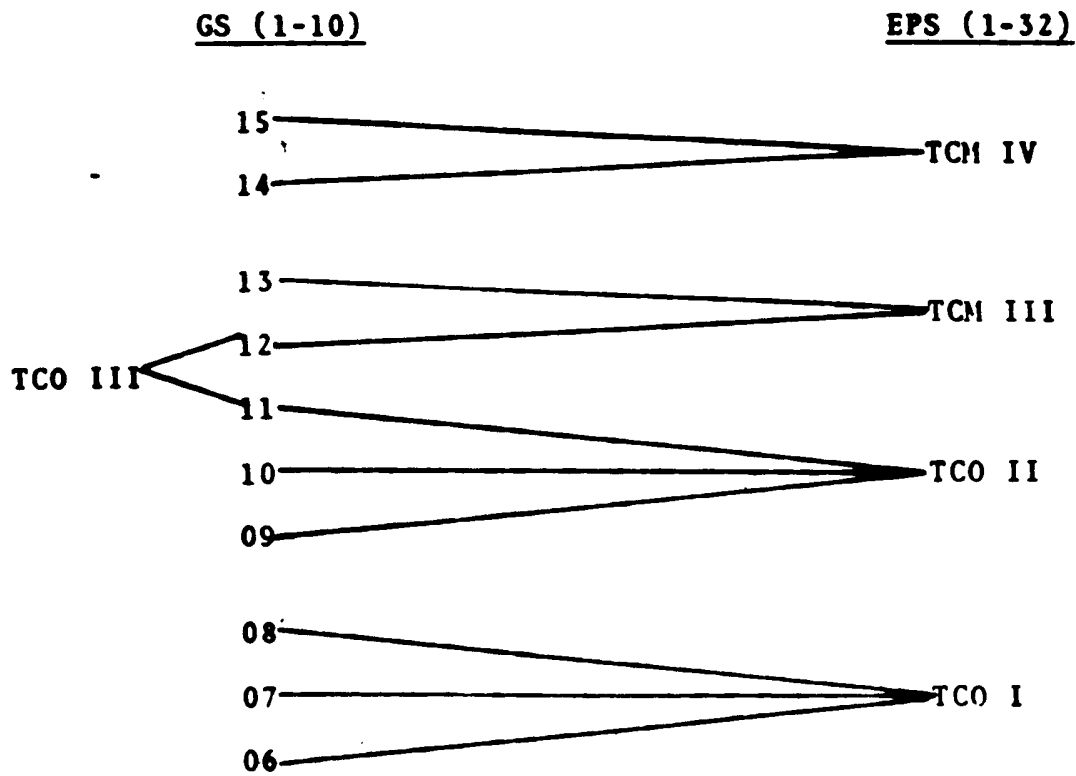
PERCEIVED ADVANTAGES:

- o NO LONGER "SLOT LOCKED"
- o SIMPLIFIED POSITION CLASSIFICATION
- o MANAGER FLEXIBILITY/ACCOUNTABILITY
- o REWARD IMPROVED PERFORMANCE
- o IMPROVED RECRUITMENT
- o MORE LIKELY RETENTION OF HIGH PERFORMERS
- o ASSIGNMENT FLEXIBILITY
- o IMPROVED MANAGER/EMPLOYEE COMMUNICATIONS
- o PERFORMANCE - BASED COMPENSATION

APPROVAL BASIS:

- o NOVEMBER 1984
- o FIVE YEARS
- o ABSORBED PERSONAL SERVICES COSTS
- o CONGRESS BRIEFED ON PROGRESS

PAY LEVEL COMPARISON



PROGRESS MADE:

- o ATTRITION
- o INCREASED DELEGATION
- o IMPROVED RECRUITMENT
- o EMPLOYEE ACCEPTANCE
- o EXPANSION TO FIELD ENGINEERS
- o TRAINING
- o MANAGEMENT SUPPORT

PROBLEMS ENCOUNTERED:

- o IDENTIFICATION
- o FEEDBACK
- o LABELS
- o GUIDELINES
- o BONUS USAGE
- o EXPECTATIONS

**TELECOMMUNICATIONS OFFICERS
EXPERIMENTAL PAY SYSTEM VS AGENCY
JANUARY 1985 - JULY 1987**

NUMBER OF GS CONVERSIONS:

ANNUALIZED COSTS:

CONVERSION COSTS	\$813,200
PROMOTIONS ABOVE AGENCY AVERAGE	71,300
ASSOCIATED BENEFITS (11.50)	101,700
BONUSES	29,000
TOTAL	\$1,015,200

I. PURPOSE:

1. MANAGEMENT COMMITMENT
2. PROMOTE RETENTION
3. REDUCE OFFICE DISRUPTION
4. REDUCE RECRUITMENT

II. APPROVAL BASIS:

1. VACANCY PROBLEMS
2. PROGRESSION PROBLEMS

III. IS/GS COMPARISON

IV. OBJECTIVES:

1. POSITION REDESIGN/ENRICHMENT
2. EMPLOYEE DEVELOPMENT
3. OPPORTUNITY FOR ADVANCEMENT
4. PERFORMANCE AWARDS
5. UNIFORM PROCEDURES

V. ADVANTAGES/PROGRESS:

1. POSITION REDESIGN/ENRICHMENT
2. EMPLOYEE DEVELOPMENT
3. OPPORTUNITY FOR ADVANCEMENT
4. PERFORMANCE AWARDS
5. MORALE/UNIFORM PROCEDURES
6. COMPETITIVE BIRING
7. INCREASED EXPERIENCE OF NEW HIRES
8. CLASSIFICATION SYSTEM

VI. PROBLEMS:

1. REDUCE ATTRITION EVEN FURTHER
2. SUPERVISOR INVOLVEMENT
3. COMMUNICATIONS
4. IMPACT

VII. CURRENT STATUS

VIII. LESSONS LEARNED:

1. CONVERSION COSTS
2. ENRICHMENT OPPORTUNITIES
3. COMMUNICATIONS

SECRETARIAL EMPLOYEES

**EXPERIMENTAL PAY SYSTEM VS. GS
July 1986 - July 1987**

Number of Secretarial Positions Covered:
Number of Part-time Employees Converted:

ANNUALIZED COSTS:

	Full-time	Part-Time	TOTAL
Conversion	\$ 464,800	\$ 228,300	\$ 693,100
Promotions over/under Agency Avg.	(245,400)	500	(244,900)
Associated Benefits (11.5%)	25,200	26,300	51,500
Bonuses	<u>495,000</u>	<u>72,000</u>	<u>567,000</u>
TOTAL	\$ 739,600	\$ 327,100	\$ 1,066,700